



**JONATHAN E. FIELDING, M.D., M.P.H.**  
Director and Health Officer

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May 12, 2011

TO: Each Supervisor

FROM:  Jonathan E. Fielding, M.D., M.P.H.  
Director and Health Officer

**SUBJECT: NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO EXECUTE AGREEMENTS WITH CHILDREN'S HOSPITAL LOS ANGELES AND SOUTHERN CALIFORNIA PERMANENTE MEDICAL GROUP FOR THE EMERGENCY PREPAREDNESS AND RESPONSE PROGRAM**

This is to inform you that I am exercising delegated authority approved by your Board on July 13, 2010, which permits the Department of Public Health (DPH) to enter into agreements related to public health emergency preparedness and response to public health threats and/or emergencies with contract maximum obligations not to exceed \$500,000 per service agreement, not to exceed a twelve-month term, 100 percent funded by the Centers for Disease Control and Prevention (CDC), subject to review and approval by County Counsel and the Chief Executive Office (CEO), and notification to your Board.

On August 19, 2008, DPH accepted CDC Notice of Award (NA) Number 5U90TP917012-09 which included \$1,300,000 for a Real Time Disease Detection (RTDD) Project to increase capabilities to characterize fluctuations in the incidence of respiratory illness; quickly identify an index case for a pandemic influenza strain infection or bioterrorist incident; and enhance DPH's capacity to rapidly detect, investigate, and mitigate the effects of outbreaks. DPH conducted evaluations of local hospitals and determined that Children's Hospital Los Angeles (CHLA) and Southern California Permanente Medical Group (SCPMG) were the only hospitals that met the following RTDD requirements: 1) a Disaster Resource Center; 2) participation in Syndromic Surveillance System; and 3) participation in the DPH Electronic Laboratory Reporting system.

On June 25, 2009, DPH exercised its delegated authority approved by your Board on July 29, 2008 to execute an agreement with CHLA at a total maximum obligation of \$147,938, for the term of June 25, 2009 through August 9, 2009. In addition, on July 9, 2009, DPH executed an agreement with SCPMG at a total maximum obligation of \$177,467, for the term of July 9, 2009 through August 9, 2009. Under these agreements, CHLA and SCPMG purchased and received the Luminex xTag laboratory equipment and supplies needed to for the initial validation of the respiratory virus panel for the RTDD Project.

Honorable Board of Supervisors  
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On July 30, 2010, DPH exercised its delegated authority approved by your Board on July 29, 2008, to execute agreements with: 1) CHLA at a total maximum obligation of \$92,690, and 2) SCPMG at a total maximum obligation of \$154,643, for the term of July 30, 2010 through August 9, 2010. Under these agreements, CHLA and SCPMG installed the required equipment, performed initial testing for system validation using purchased reagents, and began preparations for additional testing. SCPMG also purchased reagents to be used during the upcoming respiratory virus season.

Under the delegated authority referenced above, I will execute sole source agreements with: 1) CHLA at a total maximum obligation of \$90,663, and 2) SCPMG at a total maximum obligation of \$93,570, effective upon date of execution by the parties through August 9, 2011, 100 percent funded by CDC NA Number 5U90TP917012-10 Amendment 2. Under these agreements, CHLA and SCPMG will continue to conduct laboratory testing, maintain the Luminex laboratory equipment, and continue to provide testing results related to detection of respiratory viruses to meet the project deliverables and utilize the CDC funds restricted to support the RTDD project.

County Counsel has reviewed and approved the agreements as to use. County Counsel and the CEO have reviewed and approved this delegated authority action.

Attachment A and B are the Sole Source Checklists which have been approved and signed by the CEO.

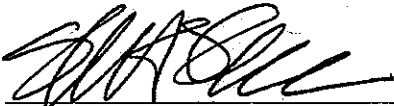
If you have any questions or require additional information, please let me know.

JEF:ar  
#01863


Attachment (2)

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

**SOLE SOURCE CHECKLIST**  
**Southern California Permanente Medical Group (SCPMG)**

Check (✓)	<p style="text-align: center;"><b>JUSTIFICATION FOR SOLE SOURCE PROCUREMENT OF SERVICES</b></p> <p><i>Identify applicable justification and provide documentation for each checked item.</i></p>
	<p>➤ Only one bona fide source for the service exists; performance and price competition are not available.</p>
✓	<p>➤ Quick action is required (emergency situation) through August 9, 2011</p>
	<p>➤ Proposals have been solicited but no satisfactory proposals were received.</p>
	<p>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</p>
	<p>➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.</p>
	<p>➤ It is most cost-effective to obtain services by exercising an option under an existing contract.</p>
	<p>➤ It is the best interest of the County (e.g., administrative cost savings, too long a learning curve for a new service provider, etc.).</p>
✓	<p>Other reason. Please explain: DPH determined that it would be beneficial to enter into a sole source agreements with SCPMG since, under prior agreements, SCPMG has assisted DPH in regards to the Real Time Disease Detection's (RTDD) goals to increase Los Angeles County's capabilities to characterize fluctuation in the incidence of respiratory illness. SCPMG, under prior sole source agreements with the County, has procured the logistics to initiate testing and has conducted initial testing. SCPMG was selected initially because it is one of two hospitals in Los Angeles County that met the requirements (based on DPH's evaluation of local hospitals) of integration with existing surveillance systems and preparedness planning efforts. SCPMG: 1) has been designated a Disaster Resource Center; 2) has an Emergency Department that is part of the Los Angeles County Syndromic Surveillance System; and 3) has laboratories that is currently connected to DPH through the Electronic Laboratory Reporting system. The proposed agreement will allow SCPMG to continue to provide laboratory testing, maintain the Luminex laboratory equipment, and continue to provide testing results related to detection of respiratory viruses to support the RTDD services through August 9, 2011.</p>
	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">   <hr/> Sheila Shima  Deputy Chief Executive Officer, CEO </div> <div style="text-align: center;"> <div style="font-size: 1.5em; font-family: cursive;">5/3/11</div>  <hr/> Date </div> </div>

**SOLE SOURCE CHECKLIST**  
**Children's Hospital Los Angeles (CHLA)**

Check (✓)	JUSTIFICATION FOR SOLE SOURCE PROCUREMENT OF SERVICES <i>Identify applicable justification and provide documentation for each checked item.</i>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
✓	➤ Quick action is required (emergency situation) through August 9, 2011
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is the best interest of the County (e.g., administrative cost savings, too long a learning curve for a new service provider, etc.).
✓	Other reason. Please explain: DPH determined that it would be beneficial to enter into a sole source agreements with CHLA since, under prior agreements, CHLA has assisted DPH in regards to the Real Time Disease Detection's (RTDD) goals to increase Los Angeles County's capabilities to characterize fluctuation in the incidence of respiratory illness. CHLA, under prior sole source agreements with the County, has procured the logistics to initiate testing and has conducted initial testing. CHLA was selected initially because it is one of two hospitals in Los Angeles County that met the requirements (based on DPH's evaluation of local hospitals) of integration with existing surveillance systems and preparedness planning efforts. CHLA : 1) has been designated a Disaster Resource Center; 2) has an Emergency Department that is part of the Los Angeles County Syndromic Surveillance System; and 3) has laboratories that is currently connected to DPH through the Electronic Laboratory Reporting system. The proposed agreement will allow CHLA to continue to provide laboratory testing, maintain the Luminex laboratory equipment, and continue to provide testing results related to detection of respiratory viruses to support the RTDD services through August 9, 2011.
	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">   Sheila Shima  Deputy Chief Executive Officer, CEO </div> <div style="text-align: center;"> 5/3/11  Date </div> </div>